

Think Tank ... Watchdog



10

A Report on the First Ten Years
1977 – 1987

N.C. Center for Public Policy Research

1987 Board of Directors, N.C. Center for Public Policy Research

| Name | Residence | Vocation |
|---------------------------------------|--------------------|---|
| Thad Beyle, <i>Chairman</i> | Chapel Hill | Professor of Political Science, UNC-CH |
| Keith Crisco, <i>Vice Chairman</i> | Asheboro | President, Asheboro Elastics Corp. |
| Karen E. Gottovi, <i>Secretary</i> | Wilmington | Independent Opinion Research & Communications |
| V.B. (Hawk) Johnson, <i>Treasurer</i> | Raleigh | Consultant, Philip Morris USA |
| Thomas L. Barringer | Raleigh | Attorney |
| James Bell | Greensboro | Director of Public Affairs, Burlington Industries |
| Daniel T. Blue Jr. | Raleigh | Attorney, N.C. House of Representatives |
| Maureen Clark | Fayetteville | Civic Leader |
| Francine Delany | Asheville | Coordinator of Elementary Education, Asheville City Schools |
| Walter DeVries* | Wrightsville Beach | President, DeVries & Associates |
| William Edmondson | Durham | Vice-President, Government Affairs, Glaxo, Inc. |
| Charles Z. Flack Jr. | Forest City | Real Estate and Insurance |
| Joel L. Fleishman | Durham | Vice Chancellor, Duke University |
| Virginia Ann Foxx* | Banner Elk | President, Mayland Technical College |
| R. Darrell Hancock* | Salisbury | Attorney |
| William G. Hancock | Durham | Attorney |
| Mary Hopper | Charlotte | Public Relations Consultant |
| Sandra Johnson* | Raleigh | Attorney |
| Betty Ann Knudsen | Raleigh | Civic and Political Leader |
| Helen Laughery* | Rocky Mount | Civic and Political Leader |
| Thelma Lennon | Raleigh | Special Assistant, N.C. Dept. of Public Instruction |
| Isaac Miller | Greensboro | Past President, Bennett College |
| Patricia Ann Nedwidek | Raleigh | Civic Leader |
| Edward H. O'Neil | Chapel Hill | Asst. Dean, School of Dentistry, UNC-CH |
| Roy Parker Jr. | Fayetteville | Editor, <i>Fayetteville Times</i> |
| Betty Chafin Rash | Charlotte | Public Relations Consultant |
| Grace Rohrer | Chapel Hill | Special Assistant to Gov. James G. Martin |
| Jerry Shinn* | Charlotte | Associate Editor, <i>The Charlotte Observer</i> |
| McNeill Smith | Greensboro | Attorney |
| Asa Spaulding Jr. | Durham | Consultant |
| Robert W. Spearman | Raleigh | Attorney |
| Mary Pinchbeck Teets | Pembroke | Elementary School Principal |
| Frances Walker | Moyock | General Manager, Currituck Supermarket |
| Cameron West | Misenheimer | President, Pfeiffer College |
| Betty H. Wiser | Raleigh | Retirement Consultant, N.C. House of Representatives |

* *Executive Committee includes the officers and the six members with asterisks.*

Think Tank ... Watchdog
A Report on the First Ten Years
1977 – 1987

North Carolina Center for Public Policy Research
P.O. Box 430 • Raleigh, N.C. 27602 • (919) 832-2839



A Report on the First Ten Years

Table of Contents

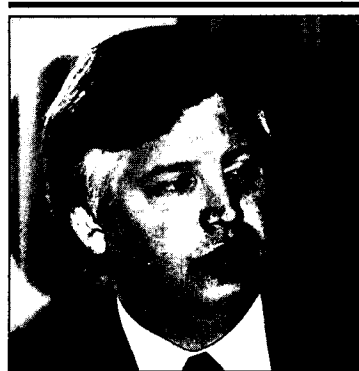
| | Page |
|---|-----------|
| I. The Center Finds Its Niche | 3 |
| Governmental Actions Influenced by Center Research, 1977-87 | 4 |
| Foundations Which Have Made Grants to the N.C. Center | 6 |
| Source of N.C. Center Funds, 1977 and 1986 | 8 |
| II. Think Tank: To Educate the Public About State Government | 9 |
| The Library Built by the Center | 10 |
| III. Think Tank: To Examine Public Policy Issues of Statewide Importance | 15 |
| IV. Watchdog: To Evaluate State Programs and Policies | 18 |
| N.C. Center Reports, 1977-87 | 20 |
| V. Watchdog: To Monitor the N.C. Legislature and Enhance Its | |
| Accountability to the Public | 24 |
| VI. Successes, Disappointments, and Challenges for the Future | 26 |
| N.C. Center Staff and Past Members of the Board of Directors | 29 |

In 1973 and 1974, two former University of North Carolina classmates who became attorneys, Bob Spearman and Gerry Hancock, signed on as volunteer lobbyists for Common Cause, a new national group concerned about accountability in government. "We learned some useful things from that lobbying," recalls Hancock, who has since been a state senator for four years and head of various state boards. "In order to be successful, an issue should be based on a case that has been made for it. In this state, there were many good people in advocacy organizations, pushing one point of view or another. What did not exist was an organization that would identify problem areas and then propose solutions to them."

Hancock and Spearman set out to fill the void. In August 1975, Hancock drafted a proposal for a North Carolina Center for Public Policy Research. Tom Lambeth, then-administrative assistant to N.C. Congressman Richardson Preyer, and Joel Fleishman, then the director of the Institute of Policy Sciences and Public Affairs at Duke University, joined the other two in the first meetings. During the fall, the group incorporated, set up a board, and got two grants from the Mary Reynolds Babcock Foundation, totaling \$5,400.

Just as this group was beginning conversations, the Babcock Foundation was completing an 18-month assessment of future directions. "We had looked over 50 potential new areas of interest and boiled them down to two," says Bill Bondurant, the foundation's executive director since 1974. "One was government accountability at the state level, restricted to North Carolina."

Bondurant had left the foundation for two years and served as Secretary of the N.C. Department of Administration in 1973-74. When he returned to the Babcock Foundation, the 18-month assessment of program priorities began. "At that point, I had just seen, number one, basically how good N.C. government is, but number two, how wise it is to have a fair, outside body looking in on state agencies and reporting to the public." The Babcock Foundation, as part of its discussion of priorities, invited the director of the New Jersey Center for Analysis of Public Issues to speak to its directors about government accountability. About that time, Hancock's proposal arrived in the mail.



William G.
(Gerry) Hancock

founder



Robert W. Spearman

founder



Thomas W. Lambeth
founder



Joel L. Fleishman
founder

After 18 more months of planning and fundraising, in the spring of 1977, the N.C. Center finally hung out its shingle — white letters on black wood — at an old apartment house on West Morgan Street, six blocks from the state capitol. It's been ten years since the doors opened, since this "outside body" began "looking in on state agencies" and reporting what it saw.

"In the beginning, we were a struggling public interest group," says Spearman. "Many times, such groups will make a splash and be effective for a year or two or three and then fade away, completely or in effectiveness. Instead, we have become increasingly competent, influential, and established. As we had hoped, the Center has become an influential part of the North Carolina political, governmental, and journalistic scene."

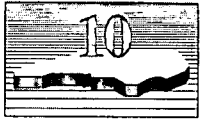
As any student of North Carolina politics knows, the four early organizers of the Center have carved out their own niches of influence, through accomplishments and organizations too numerous to list here. What is important to note, however, is the common ground that brought them together — a commitment to good government.

"Good honest responsive government can never exist without constant press scrutiny," says Joel Fleishman, vice president of Duke University. "Yet the daily press, even at its best, is usually more attentive to short-term crises and wrongdoing than to longer-run problems and achievement, as well as broader scale organizational and policy issues. That was the near-void we wanted to fill with the N.C. Center."

An idea has now accumulated a 10-year track record, with its share of ups and downs. "There was quite a bit of turmoil in the early years," says Thad Beyle, a political science professor at UNC and chairman of the Board of Directors since 1980. "It was unclear as to what our goal was and how we were going to get there." But the long discussions hammered out a vision.

"The organization has been true to its founding principles," says Hancock, the first Board chairman. "Its work should be thorough, professional, and non-partisan and should be designed to be useful to those in government looking for solutions to intractable problems."

The Center Finds Its Niche



The most sustained debate in the early going was whether the Center should put out a magazine. The fear was that a magazine would become the primary focus and eventually the overriding purpose of the organization. Other state policy centers in New Jersey, Illinois, New York, and California had already gone that direction.¹ Several board members argued strongly, however, for a publication that brought the Center's work to the public more frequently than book-length, in-depth research reports — and the magazine idea prevailed.

John Eslinger, then editorial page editor at the *Durham Morning Herald*, signed on as the Center's first executive director. "It took us a long time to get our feet on the ground," says Eslinger, now editorial page editor at the *The Fayetteville Observer*. "We were well into the year before we decided to start the magazine. Over the long haul, it was a good idea. It has made the Center much more widely known than it otherwise might have been. Many newspapers, including our own, rely on that magazine as grist for editorials. It's been a great success."

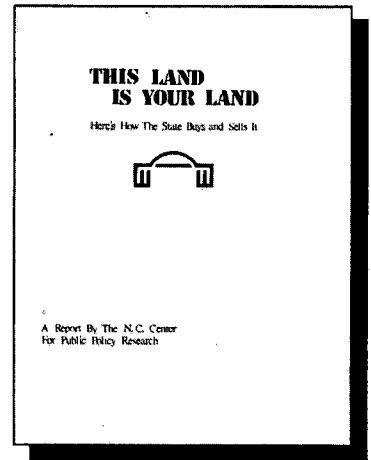
In the first year, the Center staff was organized like a newspaper, says Eslinger, focusing its resources on a small number of stories. "I was the managing editor," says Eslinger. "Howard Covington was our reporter, Mercer Doty our researcher. And we had a lawyer [Tom Earnhardt]." Their work was to be published in research reports and what was initially called a newsletter, *N.C. Insight*. The first research report came out in November 1977, a 56-page review of how the state buys and sells land. Vol. 1, No. 1 of *N.C. Insight* appeared in early 1978, a 15-page issue with two feature articles. (In 1983, the name changed to *North Carolina Insight*.)

"The Board had a notion that the Center was to have a strong orientation toward investigative journalism," says Mercer Doty, who joined Eslinger on the staff in 1977 and succeeded him as executive director in 1978. "That was reflected in the choice of initial staff — Howard and John. The main thing in the early years was to put that notion to the test and see how far it could be carried and still maintain a viable organization that could depend on public fundraising. We were establishing the limits of the Center. From that has evolved a very respected and very responsible organization, a more moderate position with respect to investigative journalism, and some would say a more responsible and more viable form of public policy research."

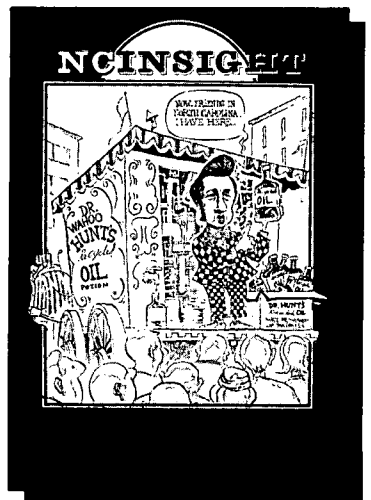
Eslinger adds, "I agree with the direction the Center has taken. It's better now than it ever has been."

Since those early days, the N.C. Center has changed in some respects and held true to the earliest thinking of its founders in others. It has developed into a combination think tank and watchdog organization. On the think tank side, the Center pursues various educational goals — to educate the public, to frame discussions of public issues, to put forward a body of information not otherwise easily accessible. On the watchdog side, the Center evaluates state government programs and makes specific recommendations on how policies should be

—continued on page 6



The Center's first research report, a 56-page review of how the state buys and sells land, November 1977



Volume 1, Number 1 of *N.C. Insight*, Winter 1978

Governmental Actions Influenced by Center Research, 1977-87

Actions by the Legislative Branch

Center Research

- | | |
|---|--|
| 1. The 1984-87 sessions of the General Assembly abolished 78 executive branch boards that the Center had identified as inactive, ineffective, or duplicative. The legislature also placed a sunset provision on all new boards created by executive branch officials and urged all officials with appointive powers to appoint more blacks, women, and Indians to state boards. | <i>Boards, Commissions and Councils in the Executive Branch of North Carolina State Government</i> |
| 2. The 1987 General Assembly enacted legislation requiring the Dept. of Human Resources to establish an Aging Policy Plan for North Carolina. | <i>Insight</i> theme issue on state policies affecting the aging and presentation to legislative committee |
| 3. The 1987 General Assembly enacted legislation lowering credit insurance rates by 12.5 percent, saving N.C. consumers some \$28 million a year. It also prohibited lenders from requiring credit insurance. | <i>Insight</i> article on credit insurance |
| 4. The 1985 General Assembly enacted the Handicapped Persons Protection Act. | <i>Insight</i> theme issue on state policies affecting the handicapped |
| 5. The 1987 N.C. Senate passed legislation which would ban special provisions (which amend state laws unrelated to the budget) in budget bills; the House could consider the bill in 1988. | <i>Special Provisions in Budget Bills: A Pandora's Box for North Carolina Citizens</i> |
| 6. The 1985 General Assembly passed legislation setting up a new State Register to make state agencies' rules and regulations more accessible to the public. | 1978 <i>Insight</i> article and 1985 report on <i>Assessing the Administrative Procedure Act</i> |
| 7. The 1983 General Assembly enacted legislation to establish a state housing policy and a N.C. Housing Commission, and also passed legislation to loosen restrictions on zoning for mobile homes. | <i>Insight</i> theme issue on housing |
| 8. The 1983 General Assembly enacted legislation requiring the Dept. of Natural Resources and Community | <i>Insight</i> article on "State Forest Development Act" |

(continued)

Actions by the Legislative Branch, continued**Center Research**8. *(continued)*

Development to study the allocation of cost-sharing funds under the State Forest Development Act. The legislature did not change the "current use" assessment property tax law to include corporate holdings of forest land. The Center recommended both actions.

9. The 1983 General Assembly required that the Department of Administration sell the state oil re-refining facility. The Center had pointed out problems with the facility since 1978.

Insight article on "Oil: A Slippery Business"

10. Legislative study commissions on auto insurance, prisons, housing, aging, and the Coastal Area Management Act distributed copies of *Insight* magazine to legislators as resources for their studies.

Insight theme issues and articles on these topics

Actions by the Executive Branch**Center Research**

11. Gov. James G. Martin and Secretary of Commerce Claude Pope revised the 1987 annual N.C. Commerce report to note the problems inherent in using announcements of new jobs created in North Carolina.

Insight article on "phantom job" announcements

12. The State Board of Education passed rules to require teachers to teach only in their field(s) of certification, effective 7/1/85.

Teacher Certification: Out-of-Field Teaching in Grades 7-12 in N.C.

13. The State Board of Education adopted a standardized minimum curriculum to be implemented statewide in N.C.'s public schools, regardless of local funding levels.

Insight articles on "Disparity in Public Schools Financing"

14. Gov. James B. Hunt Jr. mandated all departments under his control to complete plans for identifying and removing barriers to handicapped persons, as recommended by the Center.

Insight article on "Section 504: The State's Compliance Record"

15. The N.C. Housing Finance Agency began in 1984 to target more assistance to low-income people and to areas of the state with higher rates of substandard housing.

Insight article on "The N.C. Housing Finance Agency"



“The Center’s capacity for collaborative improvements separates it from those who are only thinkers or watchers.”

— William L. Bondurant

*Executive Director,
Mary Reynolds Babcock
Foundation*

changed, adjusted, and developed. The Center has never been an advocacy organization, although its research sometimes leads to recommendations which affect policy decisions.

“It’s unfortunate that a person often thinks without watching or watches without thinking,” says Bondurant of the Babcock Foundation. “The Center has done both well, and it has avoided the cynicism or judgmentalism that’s frequently associated with isolated think tanks or watchdogs. It has a healthy and positive relationship with the governmental agencies that it’s thinking about and watching, supportive rather than just finger pointing. It’s fair to say that many of the Center’s suggestions in fact have been implemented by the agencies that have been watched. The Center’s capacity for collaborative improvements separates it from those who are only thinkers or watchers.”

Through this 10-year evolution, two N.C. foundations have provided the major funding for the Center, the Mary Reynolds Babcock Foundation and the Z. Smith Reynolds Foundation. The Babcock Foundation provided the early planning money and from 1977 through 1987, a total of \$1.22 million in operating grants. The Z. Smith

Foundations Which Have Made Grants to the N.C. Center

General Operating Support, N.C. Center

1. Mary Reynolds Babcock Foundation
2. Z. Smith Reynolds Foundation

Grants in Support of Particular Center Projects

3. James E. and Mary Z. Bryan Foundation
4. Carnegie Corporation
5. Josephus Daniels Charitable Foundation
6. A.J. Fletcher Foundation
7. The Ford Foundation
8. Hillsdale Fund, Inc.
9. Henry J. Kaiser Family Foundation
10. Lowe’s Charitable and Educational Foundation
11. National Science Foundation
12. N.C. Council on International Education
13. N.C. Humanities Committee
14. New York Times Company Foundation
15. John William Pope Foundation
16. George Smedes Poyner Foundation
17. Kate B. Reynolds Health Care Trust
18. Rockefeller Brothers Fund
19. Levi Strauss Foundation
20. Weaver Foundation

Reynolds Foundation, which gave its first grant in 1979, has contributed \$900,000 to date. The Center also got early grants from several national foundations, including the Carnegie Corporation, The Ford Foundation, and the Rockefeller Brothers Fund. More recently, foundation grants from the Kate B. Reynolds Health Care Trust, the Henry J. Kaiser Family Foundation, and others have gone to specific research projects.

Until 1982, the Center depended almost completely on foundation grants, with a small portion of its operating budget from memberships and sales of publications. Then it began seeking small corporate contributions, which gradually expanded by 1987 to 102 contributors. By 1986, corporate giving had almost moved into second place on the revenue side, behind the Babcock and Reynolds grants, and nearly as large as other foundation grants for specific projects (for more, see page 8).

"The support of the two large N.C. foundations — Babcock and Z. Smith Reynolds — has been a key to the Center's capacity to remain focused on the most important long-term policy issues facing the state," says Board Chairman Beyle. "Otherwise the tendency might have been to pursue whatever studies we could get funded or whatever was on the front page of the newspapers on the day the Board met."

The funding sources have apparently appreciated the dual personality that's evolved at the Center — the think tank and the watchdog. Whether thinking or dogging, Center researchers and writers wear two hats, each with an "E" embroidered on the front, for education and evaluation. From poring over Medicare/Medicaid records for book-length reports on for-profit hospitals in North Carolina to hammering out an article on the legislature for *Insight*, Center staffers tend to concentrate more on how to craft a sentence or design a chart than on abstract goals. But in the process, the products accomplish four institutional purposes.

On the think-tank, educational side, the Center does two kinds of things. First, it frames difficult issues for public debate and provides research and information on how state government works. Such research and reporting often appear in *North Carolina Insight*. In 1985, for example, as the legislature was preparing to debate the tax-cut proposal of Gov. James Martin, *Insight* released an in-depth review of research on the pros and cons of repealing the intangibles and inventory taxes — how each tax affects economic development and tax policy, retirees, and other matters.

The other major educational function is to conduct in-depth research on important statewide issues, which may not involve state agencies directly. In 1986, for example, the Center released the first of several publications on the for-profit hospital movement. Part of a broad, national trend, the great increase in for-profit hospitals in North Carolina affects many state and local agencies indirectly, through everything from Medicaid payments to county budgets. But the report itself was not targeted towards any specific state agency.

And then there's the dogging side — the evaluations. "I think of the Center more often as having a watchdog role," says Tom Lambeth, now executive director of the Z. Smith Reynolds Foundation. "If I got out my legal pad and made a list of all the products, it might not work out that way, but that's the way I think of it."



"If the Center were not there, the first thing on our agenda as a foundation would be to go out and set one up."

— Thomas W. Lambeth

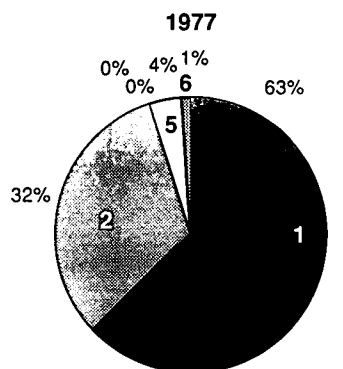
*Executive Director,
Z. Smith Reynolds
Foundation*

As with the thinking side, the Center does two kinds of dogging. First, it has a broad mission to evaluate state programs and policies. It also monitors the N.C. legislature in order to enhance government accountability to the public. The evaluations include sweeping, broad-based studies, such as the 618-page, first-ever examination of all the boards, commissions, and councils in the executive branch, complete with data on costs, race and sex of members, number of meetings, and other matters. Shorter evaluations also appear in *Insight*, such as the 1984 article on disparities in per-pupil spending among the then-142 (now 140) school districts in the state.

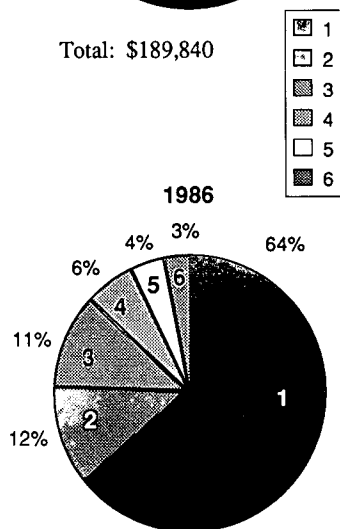
Regarding the legislature, the Center regularly publishes *Insight* articles and research reports on various aspects of the legislative process. In 1985, *Insight* began a separate column called "In the Legislature." In addition, the Center has produced six biennial editions of its guide to the legislature, *Article II*, named after the article in the N.C. Constitution which sets out the duties and responsibilities of the legislative branch.

Under these two rubrics — think tank/education and watchdog/evaluation — the Center has four goals: 1) to educate the public about state government; 2) to examine public policy issues of statewide importance (which may not involve state agencies); 3) to evaluate state government programs and policies; and 4) to monitor the N.C. legislature and enhance its accountability to the public.

These four goals are the glue that hold the Center's various products together — the quarterly *Insight* issues, periodic research reports, the *Article II* series, special guides, an annual seminar on an important public policy issue, speeches given by staff members, work with the press, and other efforts. Underlying all four goals, and all the products of the Center, are long-term commitments to raising the level of public debate and affecting how policy is made and implemented.



Total: \$189,840



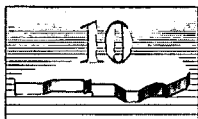
Total: \$393,181

Source of N.C. Center Funds, 1977 and 1986

| Source | 1977 | 1986 |
|--|------------------|------------------|
| 1. Foundations: General Operating Support | | |
| Mary Reynolds Babcock Foundation | \$120,000 | \$125,000 |
| Z. Smith Reynolds Foundation | 0 | \$125,000 |
| 2. Other Foundations: Support of Special Projects | 60,000 | 48,250 |
| 3. Corporate Contributions | 0 | 41,776 |
| 4. Sales of Publications | 45 | 24,983 |
| 5. Memberships | 7,395 | 14,949 |
| 6. Other (Individual donors/contributions; investment income, sales tax refund; advertising income; and other miscellaneous) | 2,400 | 13,223 |
| TOTAL INCOME | \$189,840 | \$393,181 |

Think Tank:

To Educate the Public about State Government



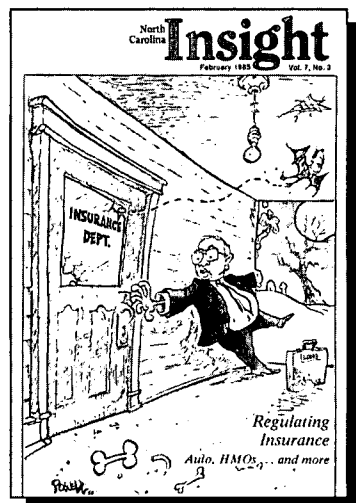
The commitment of the Center to keeping government open to the public undergirds all other educational efforts. If citizens can't find out what government officials are doing, how can they participate in the governmental process? Specific reports and articles have highlighted this theme, beginning as early as 1978, with a special report covering open meetings and public records; "The Right to Be Able to Know: Public Access to Public Information." A report on open courts followed in 1979, "The Gannett Conundrum: Keeping the Courts of North Carolina Open to the Public." From 1981-84, the Center undertook a major "open-government" project, in monitoring all roll-call votes in the legislature (for more on this project, see below, page 25). Then in 1987, the Center published a lengthy article in *Insight* on the North Carolina public records law, covering areas of controversy that remain even after several landmark court cases clarified the state law.

"This theme of open government was one that the Center perceived early on not only as central to its functioning but also to the functioning of state government," says Fred Harwell, director of the Center from 1979 to 1981. "It was inevitable that the Center would focus on this theme and continue to return to it. Without access to government information and insights into the workings of government, it would be impossible for the Center to do its job and for the citizens to have any impact on government policies."

The Center communicates with the general public most frequently through its quarterly magazine, *North Carolina Insight*. "It's an in-depth view," says Commissioner of Insurance Jim Long. "That's the value of the *Insight* publication. It's a very thorough, analytical study that no one else has the time or expertise to do."

Insight also provides a built-in education for state government officials. "Before you were formed, there was no similar publication that went into any depth on state issues, on local government issues, on aging, on health care," says Phil Kirk, currently chief of staff for Governor Martin and past secretary of human resources. "Because of the nature of articles and deadlines in newspapers and [short] time frames on television and radio, we generally don't get much in-depth, independent information. I have found the *Insight* publications have provided me with helpful information as a congressional aide and as an administrator who returned to state government."

Thorough. Analytical. In-depth. How have 10 years of *Insight* established such standards? Since 1980, *Insight* has generally devoted two issues per year to a specific subject. These "theme" issues analyze which government officials *really* make policy, summarize the state agencies involved in the subject area, and include a question-and-answer interview with the state's leading policymaker in that area.



North Carolina Insight explored the regulation of insurance in its February 1985 issue.

"It's an in-depth view. That's the value of the Insight publication. It's a very thorough, analytical study that no one else has the time or expertise to do."

—James E. Long

Commissioner of Insurance



In short reports, such as this one on cable television, the Center educates the public about important public policy issues.

Theme issues also contain three or four articles on policy issues themselves.

"I just sent out a copy of the [*Insight*] auto insurance study to a reporter in Los Angeles this week, who wanted to know how to view [auto insurance] rates based on sex discrimination," says Commissioner Long.

The "general" issues of *Insight*, alternating with the theme issues, attempt to educate the public about state government through various kinds of articles. Pro-and-con essays are often used, usually with an introductory article by one of the editors, to provide citizens with full background on subjects of importance. For example, when the legislature was considering expanding legislative terms from two to four years, *Insight* asked state Sen. Henson Barnes (pro) and then-Rep. Parks Helms (con) to explain their views. *Insight* has included similar

The Library Built by the Center

If you've saved everything the Center's ever published, you would have more than two bookcase shelves filled by magazines, research reports, special guides, and other documents and products. The Center library of printed and video resources breaks down like this:

35 Issues of North Carolina *Insight*. The magazine has grown from the 15-page first issue to the 108-page theme issue on prisons released this spring. Theme issues have covered the state's progressive image (1980), tobacco (1981), federal budget cuts (1982), housing (1982), the arts (1983), the handicapped (1983), local government (1984), insurance (1985), the aging (1985), economic development (1986), and prisons (1987). Regular columns now cover the judiciary, legislature, executive branch, and the media's coverage of state government.

16 Research Reports. These vary extensively from the typewritten report on open courts (1979), produced in a matter of weeks, to the 618-page analysis of all boards, commissions, and councils in the executive branch (1985), which dominated the Center's research agenda for three years. (For full list, see pages 20-21).

6 Guides to the Legislature. With its rankings of legislators and lobbyists, these issues of *Article II* have generated more total press attention than any other Center publication.

4 Reports on Center Forums. These reports cover forums held on important policy issues in North Carolina: foreign language instruction (1980), Native Americans

pro-con packages on regional councils of government, merit selection of judges, repeal of the inventory and intangibles taxes, using "comparable worth" as a basis for employee compensation, and other topics.

The six-article comparable worth package illustrates another way *Insight* helps educate the public about government. Groups favoring and opposing comparable worth bought bulk orders of the issue to distribute to their members — the League of Women Voters and the Women's Political Caucus (pro) and the N.C. Citizens for Business and Industry (con). This package came out in 1984, after the 1983 legislature had authorized a study of the comparable worth concept for N.C. state government employees and before the 1985 legislature revoked that study.

The theme issues allow *Insight* to provide the public with a definitive resource on a subject. "*Insight* is the kind of magazine I read

(1981), federal budget cuts (1982), and the assumptions and priorities in the state budget (1983). Forums have also been held on campaign finance (1985) and aging issues (1986).

3 Volumes of *How the Legislators Voted*. From 1981 to 1984, the Center reported all roll call votes on all public bills in the N.C. General Assembly.

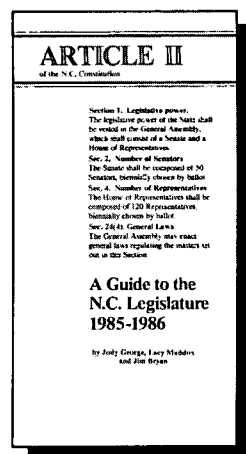
2 Anthologies. *The Tobacco Industry in Transition* (1981) and *North Carolina Focus* (1981), a compilation of articles primarily from past *Insight* issues. A new edition of *Focus* is now under way.

2 Special Guides. The Z. Smith Reynolds Foundation asked the Center to produce as a public service a guide to environmental organizations in North Carolina (1984) and to grantseeking from N.C. foundations and corporations (1985).

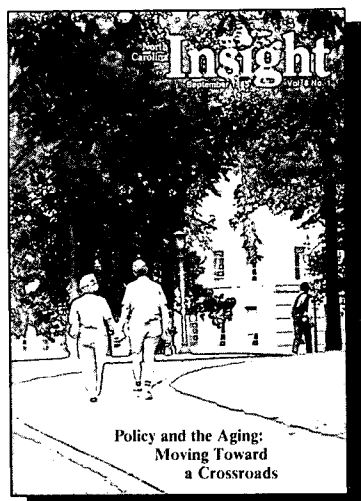
1 Guide to the Judiciary. *Article IV* (like *Article II* on the legislature), was a guide and rating of judges by their legal peers (1980).

Speeches and Formal Presentations to Legislative Committees and Other Groups. While not published, these are available in typewritten form.

Video Products. Videotapes are available from the Center on the forums held on the state budget and on campaign finance. Transcripts of the aging forums are also available. Other tapes on public affairs issues are available — with the permission of the applicable television stations — on tobacco policy, federal budget cuts, and the two-party system, a joint project with WUNC-TV.



Article II: A Guide to the North Carolina Legislature —six editions of this guide have established the Center as a leading source of information about the legislators.



North Carolina *Insight* examined the issues facing the elderly in this special edition. The policy issues identified by the Center became the basis for a series of forums across the state, funded by The Ford Foundation.

at work, at my desk," says one regular reader. "I keep my copies handy and use them over and over again." Theme issues on prisons, housing, the arts, persons with disabilities, and local government issues provide a lasting resource for policymakers, the press, advocacy groups, teachers, and the general public. The N.C. League of Municipalities bought and distributed copies of the local government issue to municipalities throughout the state.

Several months after the insurance issue appeared, researchers from the General Accounting Office of Congress came to Raleigh as part of their review of auto insurance systems in six states. The GAO researchers invited 18 people to a working meeting in downtown Raleigh — representatives from all facets of the industry (agents, company officials, government regulators). Only one group outside the industry was invited — the N.C. Center.

"*Insight* is like the MacNeil-Lehrer show for print journalism in North Carolina. It takes an in-depth look at a narrow range of topics," says Commissioner Long.

Theme issues have focused on more traditionally hot topics as well, such as economic development. In a 108-page issue in 1986, *Insight* led with a long look at the state's transition economy and then compiled all the state's economic-related activities into a single set of tables, including budget data never before assembled. The tables showed, for example, that the state was spending as much on the Microelectronics Center as on *all* other economic development efforts put together.

Other articles analyzed how policymakers must allocate energy and funds among four primary economic development strategies — industrial recruitment, aiding small businesses, seeking high technology, and fostering international trade. The underpinning for all four strategies is the job training system in the state, the subject of another lengthy article.

"You present a good review of some of the basic issues facing North Carolina's economy," wrote Jack Hawke, then director of policy and planning for the Martin administration and now head of the state Republican Party, "and you raise a number of important questions concerning the role of state government in providing both leadership and support for private development initiatives." Hawke went on in a two-page letter to take issue with some *Insight* conclusions and to emphasize the direction of the Martin administration. "We need to begin," he wrote, "by recognizing that the power of state government to affect the economy — for good or for ill — is very limited."

The Center released the economic development issue in April 1986, the day before the N.C. Department of Commerce released its annual report. The timing proved critical to receiving the largest press coverage of any *Insight* issue, 91 articles in 54 papers, 4 television appearances, and 6 radio interviews. But news coverage was not the only way the economic development issue became an educational tool for the public. Later in 1986, the Center released a much-condensed version of the issue to selected newspapers as an op-ed piece. Ten papers ran the column, including two of the largest in the state, *The Charlotte Observer* and the *Greensboro News & Record*.

The theme issues of *Insight* have led to other types of educational initiatives as well. In September 1985, *Insight* focused exclusively on

policies affecting the aging. The same year, The Ford Foundation in New York had begun a major three-year study of social welfare policies around the country; aging was one of its areas of concentration. After seeing the *Insight* issue, The Ford Foundation asked the Center to sponsor four community forums on policies affecting the aging in North Carolina, and Ford footed the bill for the series. Called "Sitting Down Together — Older Adults and Elected Officials Tackle the Future," the forums were designed to educate both policymakers and the older adult community at the same time. With advocates and local and state officials serving as panel members and as resource persons in discussion groups, each side of various policy coins got examined. In the four forums, 433 people attended, and 73 participated as either speakers, panel members, or resource persons; both numbers were records for Center forums, held since 1980.

"The Center's staff are to be highly commended for the excellent job you did in planning and conducting the Forums on Aging held earlier this year," wrote John T. Tanner, deputy director of the Division of Aging, N.C. Department of Human Resources. Tanner was a resource person at all four forums on panels discussing whether benefits for older adults should be based on age or need.

The success of the 1986 forums also prompted the 1987 chairman of the N.C. House of Representatives Committee on Aging to invite the Center to make a presentation on state policies affecting the aging in North Carolina. Tanner attended the meeting. "The committee members were excited by your report on the outcomes of the forums and the recommendations you made to them about further steps to be taken in preparing to meet the needs of our growing elderly population," continued Tanner. The presentation "proved to be a catalyst for the introduction of several pieces of legislation that, if ratified, should prove useful to meeting those needs."

One of the pieces of legislation mentioned by Tanner was a bill introduced by Rep. Betty Wiser (D-Wake), who is a member of the Center's Board of Directors and was closely involved in planning the forums. Entitled "An Act to Establish An Aging Policy Plan for North Carolina," the bill became law in June 1987. It requires the N.C. Department of Human Resources to submit a long-term plan regarding aging issues by December 31, 1987.²

"The leadership on the aging issue from the N.C. Center helped us in the legislature to move ahead with some long-range planning that no one else in the state had done," says Representative Wiser.

Since the first Center forum on foreign languages and area studies (1980), the research done in preparing for the forums, the presentations at the meetings, and discussions during the events have reached many more people than just those who could attend. Proceedings of several of the forums have been published and several have been videotaped (see box on page 11 for details). The 1982 forums featured the release of a major Center report on how the first wave of the Reagan era budget cuts affected state government programs, agency by agency.

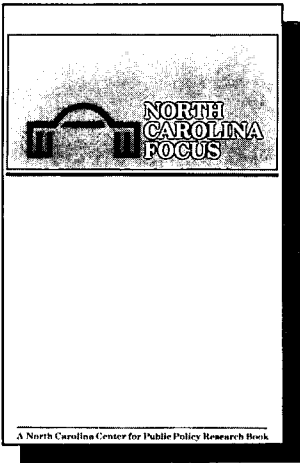
The 1985 Center forum on campaign finance served as the basis for the Center's first major effort involving television. In August 1986, Center Executive Director Ran Coble presented the findings of the campaign finance project before the N.C. State Board of Elections. OPEN/net, state government's public affairs television network, taped



"The leadership on the aging issue from the N.C. Center helped us in the legislature to move ahead with some long-range planning that no one else in the state had done."

—Rep. Betty H. Wiser

64th District, N.C. House of Representatives (D-Wake)



***North Carolina Focus*, an anthology of articles about state government, was used as a supplementary textbook by social studies classes in high school and in college courses on state government.**

the meeting, and on August 29, 1986, aired selected portions in a two-hour special on campaign finance. The show included a live 30-minute section when the public called in with questions or comments.

Other major educational efforts by the Center over the years include the publication of *North Carolina Focus* and of information on the judicial branch of government. In 1981, the Center published *North Carolina Focus*, an anthology of articles about state government, most of which had appeared earlier in *Insight*. The N.C. Department of Public Instruction distributed copies to all ninth grade social studies teachers in the state for use as a supplementary textbook.

Traditionally, the judicial branch of government is the least understood and discussed of the three branches. The Center has addressed this gap in the public's understanding in two ways. First, in 1980, the Center produced *Article IV*, a guide to the N.C. judiciary, with background information on judges (for more on how *Article IV* was used to evaluate judges, see page 19). Second, *Insight* has regularly covered the judicial branch in feature articles and, beginning in 1985, with a regular column called "On the Courts." Articles have examined pivotal rulings by the N.C. Supreme Court, analyzed trends in judicial policymaking, and profiled the N.C. Supreme Court justices.

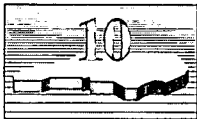
Finally, in its educational role, the Center staff has over the years made a number of public presentations and speeches to groups ranging from local Chambers of Commerce to the N.C. Association of County Commissioners. From 1981-85, the number of such public appearances or speeches averaged 29 a year, or about one every two weeks. In addition, staffers regularly function as resources for reporters, with quotes often appearing in the press and just as often helping to shape stories in a behind-the-scenes fashion. Center members and the general public also call the Center routinely with general questions about state government.



North Carolina Center for Public Policy Research Staff (left to right): Katherine Bray Merrell, Ran Coble, Bill Finger, Marianne Kersey, Nancy Rose, Lori Ann Harris, Sharon Moore, and Jack Betts

Think Tank:

To Examine Public Policy Issues of Statewide Importance



In some instances, the Center examines topics of pressing importance to the state that may not involve state agencies directly. Such work has appeared as book-length reports, special guides, and as *Insight* articles.

The Center has examined closely three subjects of importance to the state in book-length reports — the tobacco industry, federal budget cuts, and the for-profit hospital movement. In 1981, the Center published its research on tobacco as a hard-back anthology, *The Tobacco Industry in Transition: Policies for the Eighties*, through the national publishing house, Lexington Books. In 1982, *Federal Budget Cuts in North Carolina* appeared as a spiral-bound report. Then in 1986, the first of the hospital reports was released, *The Investor-Owned Hospital Movement in North Carolina*. In all three cases, the books broke new research ground in areas that were tricky to tackle.

"Your [tobacco] book was extremely helpful in raising those issues that not many people were willing to talk about at that stage because they were so controversial," says Carlton Blalock, director of the Agricultural Extension Service at N.C. State University for many years and now executive vice-president of the Tobacco Growers Association of North Carolina. "The consequences appeared to be ominous. A lot of people tended to shy away from raising those kinds of issues. You looked at trends and data and presented it in an objective way. You had the evidence. Looking back now six years later and reflecting on what you were saying, your critics would have to say the issues you were raising were valid ones that should have been looked at."

Gerry Hancock, the Center's first board chairman and a former state senator, adds, "The tobacco study played a major role in putting that sensitive subject on the agenda for discussion and debate in North Carolina. That was always a major purpose of the Center, to identify issues and try to get people talking about them."

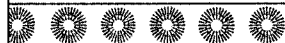
If problems with tobacco needed to be identified in 1981, so did the impact of federal budget cuts. Since the morning after the November 1980 election, any government official worth his salt knew federal funds would be cut. But how would the funds be cut, what was the impact on various federal programs administered by state and local agencies, and how would the state react to the cuts? The Center documented the cuts agency by agency. In this instance, the statewide issue did involve state agencies but in a secondary sense — in how the agencies responded to federal actions.

Like tobacco, the investor-owned hospital issue does not involve

The Tobacco Industry in Transition

William R. Finger

A North Carolina Center for
Public Policy Research Book



LexingtonBooks

The Tobacco Industry in Transition: Policies for the Eighties

THE
INVESTOR-OWNED
HOSPITAL
MOVEMENT
IN
NORTH CAROLINA

*The Investor-Owned
Hospital Movement in
North Carolina*

state agencies directly. Most tobacco policy is made in Washington, and most health care policy that directly affects hospital trends is set at the federal level (such as Medicare reimbursement methods) or at the local level (such as county commissioners' decisions on funding levels for public hospitals). By 1986, one-fourth of the 162 non-federal hospitals in North Carolina were either owned or managed by national, for-profit hospital chains. As more and more local hospitals were sold to, leased by, or managed under contract by these companies, the issue became a pressing one for the state.

In 1986, after two years of compiling the ownership status of all hospitals, reviewing Medicare/Medicaid cost reports, and interviewing county officials, company executives, and community leaders, the Center released the first report. "We have watched with interest the development of that report and think you and your staff have done an excellent job in presenting your findings," wrote C. Edward McCauley, president of the North Carolina Hospital Association. Forty-three papers carried 67 news articles and three editorials on the report, and various national journals announced the publication, including *Modern Healthcare* magazine and the Council of State Governments in their "State Government Research Checklist."

National leaders in the field took notice of the work, inviting the Center to make a presentation at a prominent conference of national experts organized by Bradford Gray, senior professional associate at the Institute of Medicine, National Academy of Sciences. "The [Center's] report is the most thorough examination of the emergence of investor-owned hospital companies that's been conducted on any single state," says Gray. "I've seen nothing else that did that."

The value of the work has had its impact inside the state as well. "There wasn't anything on this subject in North Carolina, only nationwide studies," says Jim Johnson, senior fiscal analyst at the N.C. General Assembly. "Legislative study commissions have had to deal with issues related to public and private hospitals, but there was just no data at all — a lot of speculation but few facts. It gives the legislature a good perspective on what happens when a hospital is bought or taken over — and ways that county commissioners might approach any kind of sale and what some of the results have been after a sale occurs. It's one of a kind."

Besides these three reports, the Center has produced two, book-length, special guides in its ten years, *The Guide to Environmental Organizations in North Carolina* (1984) and *Grantseeking in North Carolina: A Guide to Foundation and Corporate Giving* (1985). In both cases, the Z. Smith Reynolds Foundation asked the Center to undertake these projects to provide better access to information. Many groups applying to the Reynolds Foundation needed such information but could not get it except through word of mouth. Hence, the Center sought to compile all available information and generate new data through surveys and interviews to provide a comprehensive reference book for each of these topics.

In large part, the Center undertook these guides as a service to nonprofit groups in the state. The grantseeking guide came at a time when nonprofit groups were increasingly looking to foundations for funds. The dramatic federal budget cuts, coming with the new Reagan administration in 1981, had substantially reduced the pot of federal

government monies that had been sustaining many nonprofit groups. Thus, alternative funding sources became more important for the survival of many nonprofit organizations. The guide to environmental groups was designed to determine whether these groups were adequately covering the full spectrum of environmental issues and to identify gaps that might exist.

The grantseeking guide ranks as the Center's best-selling single publication. At 637 pages and \$35.00, it is also the Center's longest and most expensive volume. "It is the most usable book of its kind that I have run across in almost 25 years of fundraising in several areas of the United States," wrote Peggy Brown, then director of development for the N.C. Nature Conservancy. "From information and format to type style and layout, you have given N.C. fundraisers and fundgivers an extraordinarily helpful tool."

North Carolina Insight, from time to time, also contains major articles on subjects that do not involve state agencies directly but are important to the state. In 1984, for example, a three-article section documented the rising influence of political polling operations in the state. The research included seven guidelines on how to tell whether a poll had been done responsibly and thoroughly. It was designed for reporters doing stories on polls and for the public. In 1986, the lead article in the economic development theme issue was a five-part, 18-page historical essay, "Making the Transition to a Mixed Economy." The data, analysis, and conclusions of this overview of the N.C. economy provided the backdrop to the articles that followed, many of which addressed state agency actions directly. Finally, in 1986, *Insight* added a regular column, "On the Press," which covers such issues as the changes in radio coverage of state government and the changing composition of the capital press corps.

GRANT-SEEKING IN NORTH CAROLINA

A Guide to Foundation and
Corporate Giving

by Anita Gauss Sharkey

A Book by the North Carolina Center for Public Policy Research

Grantseeking in North Carolina became the Center's most popular book-length publication. This 637-page book, published in 1985, was praised by a staff member at the Council on Foundations as being "...about the most complete statewide guide I have seen."



Executive Directors

John E. Eslinger

March 1977 – January 1978

Mercer M. Doty

February 1978 – December 1978

Fred Harwell

January 1979 – April 1981

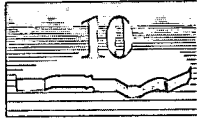
Ran Coble

June 1981 – present

To Evaluate State Programs and Policies

⁶⁶By documenting in exhaustive detail the scope of boards, commissions, and councils in the executive branch of state government, the N.C. Center for Public Policy Research has dropped another issue into the lap of the General Assembly.⁹⁹

— *The News and Observer* of Raleigh
Editorial, Feb. 10, 1985



⁶⁶The Center has performed a function that needed performing — a watchdog function,” says longtime legislative lobbyist Zeb Alley, a former state senator, “keeping track of the people over there [in state government] and assessing the things they do. It’s one of the best things that ever happened to state government.”

At the Center, much of the watchdog work is the nitty-gritty evaluation of state government agencies, programs, and budgets. This means poring over computer printouts, cramming file cabinets with documents, and talking with hundreds of officials — on and off the record. Such evaluations range from book-length reports that take as long as three years to complete to *Insight* articles that appear quarterly. Underlying all these efforts is the goal of influencing how policy is made and implemented.

“By documenting in exhaustive detail the scope of boards, commissions, and councils in the executive branch of state government, the N.C. Center for Public Policy Research has dropped another issue into the lap of the General Assembly,” concluded *The News and Observer* of Raleigh in a February 10, 1985 editorial. “The N.C. Center not only found that there are too many of these bodies but also raised issues of haphazard organization, duplication, and separation of powers — a messy structure that the legislature has responsibility to clean up.”

When the Center research staff began tracking down all such boards in 1982, no one in state government knew precisely how many existed. Gathering such basic data as the number of meetings held and the amount of money spent by each board was a huge task without much glamour. Explaining this information — growth trends, duplications, continuing separation-of-powers questions — also proved tedious. But no one had done it.

During 1983 and 1984, the Center released portions of this research in short reports and, at the invitation of legislators, appeared before various legislative study committees. Finally, in January 1985, the Center released the 600-page report, *Boards, Commissions, and Councils in the Executive Branch of North Carolina State Government*. Since that release, 59 papers have run a total of 197 articles and 37 editorials, and at least 13 radio stations have broadcast interviews mentioning this report. The report, which recommended abolishing 98 of the 320 boards included in the study, brought reactions from the Governor, Lieutenant Governor, and Speaker of the House, and then to more requests for Center presentations before legislative committees. In addition, the State Auditor Edward Renfrow wrote, “From our perspective, your report will serve as a valuable reference in conducting our audits.”

Much of the coverage focused on the duplication issue, such as *The Laurinburg Exchange* editorial, "Useless Boards," which concluded: "Now that [the N.C. Center] has pinpointed the problem, it's up to the lawmakers who got us into this mess to get us out." Since the release of the report, the legislature has abolished 78 of the 98 boards targeted by the Center.

Other papers concentrated on the potential value of citizen involvement on such boards. In an editorial called "The Citizen Layer," *The Fayetteville Times* offered this encouraging note: "By its assessment of the state of the citizen involvement layer in North Carolina public affairs, the research organization has offered useful advice for reinvigorating that layer to better allow private citizens to serve their fellow citizens."

While the boards and commissions issue stretches across all 20 departments in the executive branch, the Center more often concentrates its evaluations on specific state agencies and departments. Close behind the news coverage for the boards and commissions report was the Center's highly publicized study, *Teacher Certification: Out-of-Field Teaching in Grades 7-12 in N.C.* Fifty-six different papers ran 133 articles and 24 editorials and columns on this education book. After researching data on a statewide basis and then by local school district, the Center reported extensive out-of-field teaching throughout the state in eight subjects, topped by what most would consider the most important areas — reading (60 percent of the reading teachers were not certified in reading) and math (37 percent).

"We brought this to people's attention," says Center Board Chairman Thad Beyle. "We went right down to each school district. That's what really forced the issue. It went down to each individual teacher. I even saw my wife's line on the printout." Mrs. Beyle is a high school teacher in Chapel Hill. "Luckily, she was not teaching out-of-field," he laughs.

The Center produced two follow-up reports, a survey of national teacher certification requirements in an *Insight* article, and then a summary report including new state and national data in January 1983. Throughout this series, the Center recommended ways to alleviate the problems.

"The Center report was extremely influential in bringing that issue [out-of-field teaching] to closure and getting that implemented in 1983," says J. Arthur Taylor, director, division of certification, N.C. Department of Public Instruction. In 1983, after several earlier attempts, the State Board of Education adopted a comprehensive policy, effective July 1, 1985, which eventually led to the elimination of much out-of-field teaching.

"The state Department of Public Instruction cooperated fully with the Center in responding to requests for statistical data regarding out-of-field teaching in North Carolina," says Thelma Lennon, special assistant for Compensatory Education in the department and a N.C. Center Board member. "The publication increased the level of awareness for the entire educational community. This resulted in the establishment of State Board [of Education] policy which was implemented by the local school districts throughout North Carolina."

Another Center report, *Article IV*, evaluated the judicial branch of government. This guide provided background information on the



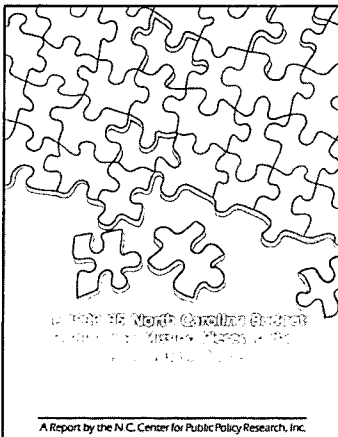
"This [report] resulted in the establishment of State Board [of Education] policy which was implemented by the local school districts throughout North Carolina."

—Thelma Lennon

*Special Assistant for
Compensatory Education
Department of Public
Instruction*

judicial branch and the judges. But it went a step further, asking lawyers to evaluate the actual performance of judges. This evaluation was done with an "efficiency" rating using a survey of lawyers who had practiced before the judges they rated. This served as a guide for a similar effort by the N.C. Bar Association in 1983. Unlike the Center, the Bar Association did not make the results of its research available to the public.

In some cases, the Center has used both reports and *Insight* articles as a means for ongoing evaluation of state government on specific themes. Perhaps the most prominent has been that of separation of powers. In 1980, the Center released a report, *The Advisory Budget Commission — Not as Simple as ABC*, which documented the problems when legislators are formally involved in developing the pro-



The 1983-85 North Carolina Budget: Finding the Missing Pieces in the Fiscal Jigsaw Puzzle

N.C. Center Reports, 1977-1987

This Land is Your Land: Here's How the State Buys and Sells It (1977)

Cable Television in North Carolina (1978)

The Right to Be Able To Know: Public Access to Public Information (1978)

*Which Way Now? Economic Development and Industrialization in North Carolina** (1979)

Making North Carolina Prosper: A Critique of Balanced Growth and Regional Planning (1979)

The Gannett Conundrum: Keeping the Courts of North Carolina Open to the Public (1979)

Article IV: A Guide to the N.C. Judiciary (1980)

*The Advisory Budget Commission — Not as Simple as ABC** (1980)

Health Education: Incomplete Commitment (1980)

Foreign Languages and Area Studies: Options for North Carolina (1980)

Public Policy and Native Americans in N.C.: Issues for the '80s (1981)

*North Carolina Focus. An anthology on state government** (1981)

The Tobacco Industry in Transition: Policies for the 1980s (1981)

posed state budget, a power reserved for the executive branch in the N.C. Constitution. In the early 1980s, a series of court decisions, legislative actions, and advisory opinions by the N.C. Supreme Court addressed various issues regarding separation of powers among the three branches of state government. In a three-part article in 1982, *Insight* examined the separation-of-powers issue in a broader context, including an annotation of landmark events beginning in 1925 and concentrating on the pivotal period of February 1981 to March 1982. Also in 1982, the Center released a short report on separation-of-powers issues regarding legislators serving on executive branch boards, commissions, and councils. This research was expanded and included in the overall boards and commissions study released in 1985.

As *Insight* has grown in scope over the years, more evaluations of

How the Legislators Voted (three volumes, 1981-84)

Separating the Executive and Legislative Branches (1982)

Federal Budget Cuts in North Carolina (1982)

Teacher Certification: Out-of-Field Teaching in Grades 7-12 in N.C. (1983)

The Guide to Environmental Organizations in North Carolina (1984)

The 1983-85 North Carolina Budget: Finding the Missing Pieces in the Fiscal Jigsaw Puzzle (1984)

Boards, Commissions, and Councils in the Executive Branch of N.C. State Government (1985)

Assessing the Administrative Procedure Act (1985)

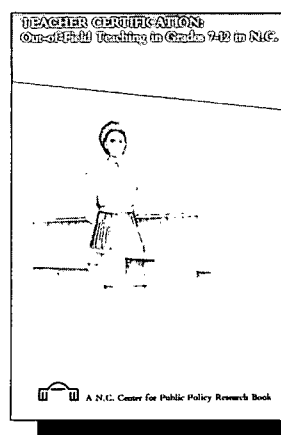
Grantseeking in North Carolina: A Guide to Foundation and Corporate Giving (1985)

Special Provisions in Budget Bills: A Pandora's Box for N.C. Citizens (1986)

The Investor-Owned Hospital Movement in North Carolina (1986)

Article II: A Guide to the N.C. Legislature (six editions, 1977-87)

*Out-of-Print

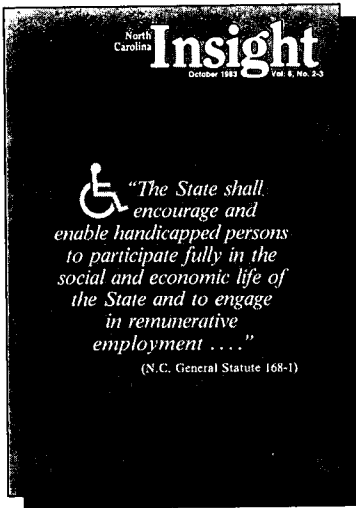


Teacher Certification: Out-of-Field Teaching in Grades 7-12 in North Carolina

“The Center report was extremely influential in bringing that issue [out-of-field teaching] to closure and getting that implemented in 1983.”

— J. Arthur Taylor

Director
Division of Certification
N.C. Department of Public
Instruction



**North Carolina Insight
theme issue on policies
affecting handicapped
persons.**

66 The Insight issue pointed out two things. It convinced people that the existing law was worthless because it didn't have any actions that the state could take. And the research on Section 504 helped get the majority of agencies that do have federal funding to submit their plans for removing barriers to handicapped persons. 99

—Lockhart Follin-Mace

*Executive Director,
Governor's Advocacy Council
for Persons with Disabilities*

state agencies and policies have appeared within its pages, with specific recommendations for action. In the theme issue on economic development, for example, the Center evaluated how the state Department of Commerce reports new jobs *announced* for a particular year. The Center conducted its own survey of jobs announced for a particular year and also reported the results of a second study previously done for the N.C. Department of Administration, a study which had gone largely unnoticed. The studies found that only about half (47 percent in one study and 61 percent in the other) of the new jobs announced actually materialized.

In a press notice released the day before the Department of Commerce announced its report of new jobs for 1985, the Center explained to the press and public that, based on past years, about one of every two jobs the department was about to announce were "phantom jobs." The Center was careful to explain that this reporting trend had begun way back with Gov. Luther Hodges (1955-61) and had continued through the two terms of former Gov. James B. Hunt Jr. (1977-85) and into Gov. James G. Martin's administration. The release led to extensive press coverage, both before and after the Commerce press conference, including a live television appearance and 91 newspaper stories.

At his press conference, then-Secretary of Commerce Howard Haworth put the Martin administration on record as recognizing the problem with the numbers and striving to improve the reporting system. However, room for progress still remains. The administration's annual report released in May 1987 did point out problems with using "announced" jobs but still relied on the same "numbers game" begun in the 1950s.

The theme issue on policies affecting handicapped persons, in addition to educating the public on many issues, had a dual impact through its evaluation. "The *Insight* issue pointed out two things," says Lockhart Follin-Mace, executive director of the Governor's Advocacy Council for Persons with Disabilities. "It convinced people that the existing law [a policy statement on civil rights for handicapped persons] was worthless because it didn't have any actions that the state could take [when a handicapped person's rights were violated]. And the research on Section 504 [of the federal Rehabilitation Act of 1973] helped get the majority of agencies that do have federal funding to submit their plans for removing barriers to handicapped persons."

An article in *Insight* explained that the federal "504" law requires all state agencies receiving federal funding to develop a plan for eliminating discrimination against handicapped persons, through removing architectural barriers, through hiring policies, and other actions. The article also pointed out that the existing statutes had no enforcement mechanism.

After the issue came out, the Governor's Advocacy Council for Persons with Disabilities appointed a task force "to study the issue, draft some legislation, and work with the legislature and with business and industry to get it passed," explains Follin-Mace. In 1985, the General Assembly passed a new Handicapped Persons Protection Act, which did contain enforcement provisions.³

"Your findings dramatically underscored our appeal to the legislature to strengthen the laws protecting handicapped people and

contributed significantly to the ultimate success of Senate Bill 272," wrote Peyton Maynard, then with the Governor's Advocacy Council.

While the theme issues of *Insight* have allowed the most in-depth policy analysis, general issues have also evaluated a number of government programs, from oil recycling to industrial revenue bonds (IRBs) to credit insurance rates. The lead story in Vol. 1, No. 1 explained the pitfalls of the state's decision to jump into the oil recycling business. The state-owned oil-recycling center was never successful. After losing \$2.5 million since 1980, the state finally sold the recycling facility for \$65,000 in 1985.

The September 1986 cover story on revenue bonds shows how *Insight* continues to examine particular themes. For example, the Center's analysis of IRBs found that these revenue bonds — designed to help industrial growth — had been used primarily in prosperous urban counties, not in rural areas that needed new jobs. Twenty counties, mostly the poorest ones in the state, had never issued an IRB. The article concluded with three recommendations, including a call for targeting revenue bonds to areas of higher need. *Insight* had reported a similar finding about housing in 1982, showing that the bonds issued by the N.C. Housing Finance Agency (HFA) had gone primarily to the counties with the *best* housing, not the worst. Following this report, the HFA began to target more of its technical assistance to rural counties where housing bonds had not been issued previously.

Another type of *Insight* evaluation examines a low-visibility issue and in the process helps move it onto center stage, as done, for example, with credit insurance. In a 20-page, three-article section in 1985, including pro and con pieces, *Insight* laid out exactly why North Carolina ranks dead last among the 50 states in the portion of credit insurance premiums used to pay off policy claims. The article called on the Commissioner of Insurance and the General Assembly to address this problem.

In 1987, Commissioner Long called a news conference announcing a compromise bill agreed to by the various actors — the bankers, auto dealers, and consumer advocates — which would begin to bring credit insurance rates in North Carolina more in line with those in the rest of the country. At the press conference, Long mentioned the *Insight* story as valuable background material, saying, "I commend it to your attention." The 1987 legislature, in the final days, enacted legislation lowering credit insurance rates by 12.5 percent, which will save N.C. consumers some \$28 million a year.



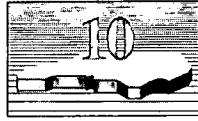
Chairs of the N.C. Center Board of Directors

William Gerry Hancock
1977-80

Thad L. Beyle
1980-present

Watchdog:

To Monitor the N.C. Legislature and Enhance Its Accountability to the Public



Throughout its life, the Center has focused on the actions of the legislature — monitoring votes, documenting actions, ranking the effectiveness of all 170 members, explaining the legislative process, and above all, attempting to translate all of this into measures of accountability. The Center has monitored the legislature in four main ways: the six editions of *Article II*, major research reports, regular *Insight* articles, and reporting how the legislators voted on all public bills.

Article II. Begun in the 1977-78 session, *Article II* has been published every other year for each new group of legislators. With the highly publicized effectiveness rankings — done through an anonymous polling of *all* legislators, registered lobbyists, and capital news correspondents — *Article II* has become the most visible and consistently used product of all Center publications. Designed as a ready reference book on each legislator's committee assignments, voting patterns, occupation, education, home and business address, and effectiveness level, *Article II* "has been a very fine service," says Zeb Alley. "It gives someone who is not knowledgeable a way of seeing how the legislators tend to vote on certain major issues — conservative, moderate, liberal."

"It's a useful reference tool," says Bill Rustin, president of the N.C. Retail Merchants Association. "I carry a copy in the car with me when I'm out of town. The effectiveness rating is a very important barometer and tool. It shows the fluctuations in the legislative process."

"When you ask some legislators about the Center, what they mention most often is the [*Article II*] survey, but that's a very minor part of what you do in my opinion," says Phil Kirk, active in N.C. Republican Party politics for 20 years. "The antagonism and ill feeling on the part of some legislators, particularly with Republicans who have taken that survey, have affected how they view your other work, that you lean towards the Democrats. But in fact, you have gone the extra mile in being objective, fair, and bipartisan."

Major Research Reports. Understanding the intricacies of the legislative process can require careful digging for trends, such as looking through every *budget* bill for the last ten years and documenting every provision that altered a statute *not* related to the budget. That's exactly what the Center did in its landmark 1986 report, *Special Provisions in Budget Bills: A Pandora's Box for North Carolina Citizens*, and in its update on the trend in a short report in 1987. The report defined special provisions and then explained why important legislative debate over statutory changes is lost when such changes are made through special provisions inserted into budget bills during the frenzied final days of a legislative session. In 1981, there were 29 such provisions; by 1985, there were 108, a three-fold increase.

The Center's evaluation of special provisions piqued the interest of the press and the legislature. Forty-five papers covered the special



"[Article II] is a useful reference tool. I carry a copy in the car with me when I'm out of town."

—William C. Rustin, Jr.

President
N.C. Retail Merchants
Association

provisions report in 61 articles and 10 editorials, all calling for a change. The Senate responded by passing a bill on May 26, 1987, "An Act to Restrict the Use of Special Provisions in Appropriations Bills." The House did not pass the bill in 1987 because Speaker Liston Ramsey and Appropriations Expansion Budget Committee Chairman Billy Watkins did not support it. The bill could be brought up again in the 1988 "short" session.

Insight Articles. Throughout its ten years of publication, *Insight* has run articles on the legislative process, demographic trends among the General Assembly, and important legislative issues. Back in 1978, *Insight* published a short piece, "A Surprise Package Called 'Appropriations,'" the Center's first foray into the special provisions field. In 1980, *Insight* released a theme issue on the legislature called, "Breaking Ground . . . the 1981 General Assembly," with articles on the legislative leadership, lobbying, reapportionment, study commissions, and other areas. Then in 1981, an article on "The Coming of Age of the N.C. General Assembly" appeared as a counterbalance to the piece on "How Powerful is the North Carolina Governor?" The next year, *Insight* came back with a definitive piece on "The Lieutenant Governor — A Legislative or Executive Office?" Finally, in 1985, *Insight* began a regular department called "In the Legislature," which has covered ethics, budget matters, and other timely issues, and has updated earlier Center work.

Reporting How the Legislators Voted. Beginning with the special sessions in October 1981 and ending with the short session in 1984, the Center published *How the Legislators Voted* on a subscription basis. The report included the votes and a brief summary of every roll call vote on every public bill (i.e., not "local" bills). In order to ensure that the reports included a thorough and accurate description of every roll call vote, Center staff monitored every session of both the House and Senate during that period. This was necessary for several reasons, such as recording any parliamentary maneuvering that might obscure the meaning of a vote or to record the vote when the electronic machines failed (which happened occasionally).

This expensive and time-consuming effort failed to attract enough subscribers to sustain the effort. After repeated attempts to encourage various groups to pick up the project, benefitting from the lessons learned in its four-year experiment, the Center closed the project.

"There ought to be a way for any Tar Heel citizen to find out how his legislators have voted on specific issues," began a May 11, 1985 editorial in *The Raleigh Times*. *The Charlotte News* ended its editorial of April 17, 1985, "The Center's vote reporting service was beneficial in that it added a measure of accountability to legislative actions. Such a service should continue."

Others besides the press worried about the ending of the project. "This [votes] record was available in many of the county and college libraries in North Carolina," the N.C. Consumers Council reported in its March/April 1986 newsletter. "However, the Public Policy Center is no longer able to afford this costly undertaking. Moreover, there is no other private organization that can or will provide this service. As a result, currently there is no readily available source from which North Carolinians can learn of the General Assembly, and this problem will continue through this session and future sessions unless the leaders of the state government remedy this situation."

The Governor, Lieutenant Governor, and Speaker of the House never responded to the call for the legislature itself to provide this service. The Center did show, however, that 1) the project could be done, and 2) it could not pay for itself through subscriptions alone.

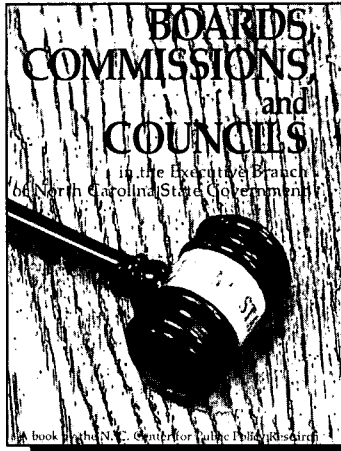


"You have gone the extra mile in being objective, fair, and bipartisan."

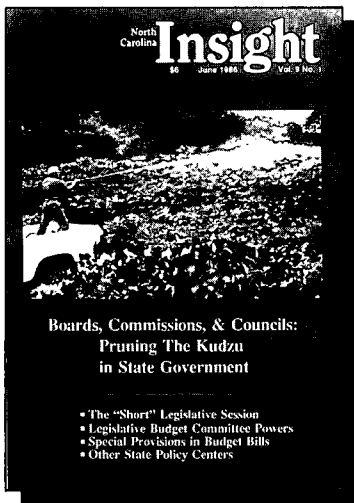
—Phillip J. Kirk, Jr.

Chief of Staff for
Gov. James G. Martin

Successes, Disappointments, and Challenges for the Future

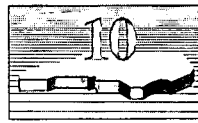


Center report, January 1985



Follow-up, June 1986

“Another successful [N.C. Center] approach has been to follow-up on specific research over a period of years.”



After 10 years, the Center has established its primary direction in its reports, *Insight* articles, public forums, and general assistance to members, the press, and citizens about how state government works. But achieving the goal of producing non-partisan research — sometimes with specific recommendations on how policy might be changed — remains complex and multi-faceted. Incorporating both thinking and watchdogging into the day-to-day work at the Center demands careful long-term planning.

“The Center has avoided a number of pitfalls that could have become serious problems by not taking on topics that were more emotionally than rationally charged at the moment,” says Bondurant of the Babcock Foundation. “Nor has the Center leaned one way or another on a partisan basis.”

Bipartisanship has been central to the Center’s success. “When you are in state government as I have been, you recognize the need to have a thorough, balanced presentation of the issues,” says Grace J. Rohrer, a founding Center Board member and now a special assistant to Governor Martin, a Republican. “The Center has provided this through quality research untainted by ideological bias. What better resource can a state have than one which provides the public as well as state leaders an objective analysis of the issues on which they have to make decisions?”

Other factors have been at work as well. “Part of the success is that it has avoided making serious mistakes,” adds Bondurant. “I attribute that to the Board and the staff, for picking the issues carefully.”

Another successful approach has been to follow up on specific research over a period of years. In 1979, for example, the Center released two major reports on economic development policies, *Which Way Now? Economic Development and Industrialization in North Carolina* and *Making North Carolina Prosper: A Critique of Balanced Growth and Regional Planning*. In 1981, Governor Hunt switched emphasis from a “balanced growth” policy to microelectronics, and the Center promptly came out with a six-article section on the promises and pitfalls of this strategy. Finally, in 1986, the Center returned to the area of economic development in force, with its longest *Insight* issue ever, on economic development policies.

While the Center’s work focuses on North Carolina, it has also contributed to important national debates. Center research emerges in Washington from time to time, in the 1986 General Accounting Office report on auto insurance, for example, and in the 1981 Congressional debate on the tobacco farm program. National magazines also cite the Center’s work, sometimes reprinting portions of it. Publications such as *The Washington Monthly*, *The American Banker*, *Foundation News*,

National Civic Review, and *State Legislatures* have mentioned the Center's work. *State Policy Reports* summarizes Center findings on a regular basis, and *Southern Changes* ran an article based on the phantom jobs report. The electronic media too utilize the Center's work. NBC Nightly News mentioned the federal budget cuts research, and a producer for ABC's "Nightline" used the recent *Insight* theme issue on state prison policy to frame an in-depth report on alternatives to incarceration.

While much Center work has helped to affect policy development and frame the debate on issues, some goals have not been realized. Some Center recommendations have not yet been enacted. The research on phantom jobs in *Insight*, for example, pointed out obvious shortcomings in an administrative process (i.e., "new" job announcements). While this has been debated, it has not been resolved. Similarly, the research reports on special provisions in budget bills helped generate a broader understanding of that problem, but while the N.C. Senate has worked towards solving it, the House has thus far balked.

Another disappointment has been the failure to persuade any organization to pick up the "How the Legislators Voted" project. The public currently has no way of finding out on a regular basis how legislators voted on public bills. The Center provided that service at one time but could not find a way to sustain that effort itself or through others. Similarly, the evaluation of sitting judges has not been a high enough priority with various groups involved regularly in the judicial system. As with the votes project, the Center attempted to persuade the N.C. Bar Association and others to update the *Article IV* evaluation on a regular basis. This effort is as yet unsuccessful.

A continuing concern has been the relatively low number of citizens who are subscribing members of the N.C. Center. "I wish the magazine could reach a larger audience. It does an excellent job of reaching the insiders," says founding Board Chairman Hancock. "The proposals are read and respected by the leaders in all three branches [of government]. The magazine is a wonderfully rich resource that tens of thousands could enjoy and benefit from. We've never had the money to build the circulation."

"I suppose the shortcoming was predictable — the difficulty the Center has faced in securing a broad base of public support through a broad membership basis," reflects Bondurant. "That may come in time. In the meantime, the growth of the diverse corporate support is most impressive and encouraging."

Despite these disappointments, the Center has achieved six notable successes in its first ten years. First, it has established a reputation for high-quality research without falling into a particular ideological camp, as many think tanks have done on the national level. Second, it has diversified its income base, developing four main income sources — foundations, corporations, memberships, and sales of publications. Third, Center research has gone beyond the dusty bookshelf and has actually affected policy decisions. Fourth, the Center has raised the level of public debate on some issues and has fostered discussion of other issues which had gone unnoticed and slid to the back burner of government officials. Fifth, the Center's reputation has led to considerable and consistent media coverage, averaging 37 newspapers and 63 articles *per news release* in 1986. Finally, the media, other non-



"The Center has provided this through quality research untainted by ideological bias. What better resource can a state have than one which provides the public as well as state leaders an objective analysis of the issues on which they have to make decisions?"

—Grace J. Rohrer

*Founding Center Board
Member and Special Assistant to Gov. James G. Martin*

profit groups, concerned citizens, and the business community have come to rely on the Center as a continuing source of information on state government.

Challenges for the Future

"States are the focus of a lot of action right now. States are not ducking issues," says Board Chairman Beyle. "There are a lot of nasty fights going on, bipartisan fights, separation-of-powers questions between branches of government. We at the Center are in a good position to help chart the way on some issues."

Each year at the spring quarterly meeting, the Center's Board of Directors reviews a three-year work plan, developed by the staff with suggestions from the membership, Board members, and others. The Center tries to concentrate on issues which are of long-term significance to the state, are capable of being researched, and which other policy organizations and the news media are not likely to study. In 1987, for example, the Board approved a major, two-year research effort on higher education.

"We're moving into the higher education issue now," says Beyle. "It's more volatile than some. Many people think [if you're researching the issue] you're trying to do something to harm higher education rather than raising questions."

In the future, the Center will continue to keep its work focused through the four goals established over its first ten years — two on the thinking side and two on the watchdog side. It will also build on its six significant successes and learn from its failures. At the same time, the Center now has three new challenges.

An important goal is to get more citizens involved with the Center through membership and to get the public more involved and interested in state government in general. To ensure its survival and to continue its contribution in North Carolina, the Center also hopes to begin a long-term fundraising plan, by starting an endowment and a planned-giving campaign (through bequests, annuities, and charitable trusts). Finally, the Center is beginning to experiment with reaching a broader audience by considering several different products, such as radio and television shows and fact notebooks for the media. For example, the Board recently approved the Center's first major effort in public television, a joint project with WUNC-TV on the development of the two-party system in North Carolina.

The four goals described in detail in this report, the successes, the disappointments, the future . . . all hold forth a great challenge for the Center staff, Board of Directors, members, and supporters. "The Center has been the fuel for a lot of important activity in the state," says Tom Lambeth, executive director of the Z. Smith Reynolds Foundation. "If the Center weren't there, the first thing on our agenda as a foundation would be to go out and help someone set one up." □



Aging Forums Coordinator Bill Finger making introductions at forum in Lumberton in October 1986.

FOOTNOTES

¹For a review of all state-level public policy centers, see "State Public Policy Centers Survive the Years, Weather the Financial Storms" by Jack Betts, *North Carolina Insight*, June 1986 (Vol. 9, No. 1), pp. 30-41.

²HB 1159, enacted as Chapter 289 of the 1987 Session Laws.

³Senate Bill 272 (now codified as N.C.G.S. Chapter 168A).

⁴HB 1022, enacted as Chapter 826 of the 1987 Session Laws.

N.C. Center for Public Policy Research Staff

Executive Director

Ran Coble

North Carolina Insight

Bill Finger

Jack Betts

Researcher / Writers

Lori Ann Harris

Marianne Kersey

Development / Membership

Katherine Bray Merrell

Administration

Nancy Rose

Sharon Moore

A Report on the First Ten Years written by Bill Finger and Ran Coble. Finger has been editor of *North Carolina Insight* since November 1979. Coble has been executive director of the N.C. Center since June 1981. Production by PUBLICATIONS UNLIMITED. Graphic design by Carol Majors. Printing by Edwards & Broughton, Raleigh, N.C.

Past Members of the Board of Directors

Thomas S. Bennett, *Morehead City*
Marilyn Bissell, *Charlotte*
William L. Bondurant, *Winston-Salem*
John T. Caldwell, *Raleigh*
James McClure Clarke, *Fairview*
Fred Corriher, Jr., *Landis*
Frances Cummings, *Lumberton*
Charles E. Daye, *Chapel Hill*
Walter E. Dellinger III, *Durham*
Dennis Durden, *Winston-Salem*
James S. Ferguson, *Greensboro*
Nathan T. Garrett, *Durham*
Robert Gordon, *Asheboro*
Marse Grant, *Raleigh*
Mary Charles Griffin, *Asheville*
Harry E. Groves, *Durham*
Margaret Harper, *Southport*
James E. Harrington, *Cary*
Watts Hill, Jr., *Chapel Hill*
Wilbur Hobby, *Durham*
Jeanne Hoffman, *Mars Hill*
Herbert Hyde, *Asheville*
Walter T. Johnson, Jr., *Greensboro*
Juanita M. Kreps, *Durham*
Thomas W. Lambeth, *Winston-Salem*
Roxanne Barrier Livingston,
Winston-Salem
William R. Ludwick, *Greensboro*
Dershie McDevitt, *Asheville*
Larry McDevitt, *Asheville*
Duane Mattheis, *Asheboro*
Wayne Montgomery, *Asheville*
Jacqueline Morris-Goodson, *Wilmington*
Hugh Morton, *Grandfather Mountain*
Donald D. Pollock, *Kinston*
Anne Queen, *Canton*
Kay Sebian, *Wilmington*
Mary Semans, *Durham*
Lanty Smith, *Greensboro*
William D. Snider, *Greensboro*
Alfred W. Stuart, *Charlotte*
Charles H. Taylor, *Brevard*
Richard A. Vinroot, *Charlotte*
Patricia H. Wagner, *Chapel Hill*
James C. Wallace, *Chapel Hill*
Alfreda Webb, *Greensboro*
Harrison Wellford, *Washington, D.C.*
George Wood, *Canden*
Ruth Dial Woods, *Lumberton*

Current Contributors to the N.C. Center for Public Policy Research

Major funding for the North Carolina Center is provided by:

THE MARY REYNOLDS BABCOCK FOUNDATION
THE Z. SMITH REYNOLDS FOUNDATION
THE A. J. FLETCHER FOUNDATION
THE JOHN WILLIAM POPE FOUNDATION
THE NEW YORK TIMES COMPANY FOUNDATION

Corporate and Individual support for the Center is provided by:

BENEFACTORS

Alcoa Foundation
Burlington Industries
The Charlotte Observer
Josephus Daniels Charitable Foundation
Glaxo, Inc.
Philip Morris, USA
R.J. Reynolds Tobacco Company
HKB Associates
Aetna Life and Casualty Foundation
Angell Care Inc.
ARA Services, Inc.
AT&T
Barnhill Contracting Company
Branch Banking and Trust Company
Carolina Power & Light Company
Carolina Telephone & Telegraph Company
Consolidated Diesel Company

Ecusta Corporation
First Union National Bank
General Electric
Golden Corral Corporation
IBM Corporation
Jefferson-Pilot Corporation
Lorillard Inc.
Lowe's Charitable and Educational Foundation
NCNB Corporation
Public Service Company of North Carolina
Royal Insurance
Southern Bell
Unifi, Inc.
Universal Leaf Tobacco Co.
Westover Products, Inc.
Wilmington Star-News, Inc.
Winston-Salem Journal

PATRONS

North Carolina Power Company
Arthur Andersen & Company
Bank of Granite
Brendle's, Inc.
Burroughs Wellcome Company
Greensboro News & Record
GTE Corporation
Hardee's Food Systems
Kaiser Foundation Health Plan of North Carolina
The Kroger Co.
Macfield Texturing, Inc.
N.C. Farm Bureau Mutual Insurance Company
N.C. Retail Merchants Association

Nucor Corporation
Olson Management Group, Inc.
Piedmont Airlines
Piedmont Natural Gas Company
Planters National Bank
Raleigh Federal Savings Bank
Southern National Bank
Spanco Industries, Inc.
Stedman Corporation
Wachovia Bank and Trust Company
Weyerhaeuser Company
Alphanumeric Systems, Inc.
Commercial Printing Company
Ernst & Whinney

SUPPORTING CORPORATIONS

American Television & Communications Corporation
Astro, Inc.
Champion International Corporation
Ciba-Geigy Corporation
Coastal Lumber Company
Cooper Group

DeVries and Associates, Inc.
Epley Associates, Inc.
Fayetteville Publishing Company
Georgia-Pacific Corporation
Peoples Bank and Trust Company
TRW, Inc.

CORPORATE MEMBERS

Acme-McCrary Corporation
Adams Outdoor Advertising
Barclays American Corporation
Capitol Broadcasting Company
Carolina Asphalt Pavement Association
Celanese Fibers Inc.
Central Carolina Bank
Cone Mills Corporation
The Daily Reflector of Greenville
Datis Corporation
E.I. duPont de Nemours & Company
Durham Herald Company

Firstcorp, Inc.
First National Bank of Randolph County
Glen Raven Mills
Great Southern Finance
Harper Companies International
Integon Foundation
North Carolina Natural Gas Corporation
Northern Telecom
J. Lee Peeler & Company, Inc.
Sara Lee Corporation
Spectator Publications
United Guaranty Corporation

SPECIAL DONORS

Adams, McCullough & Beard
T. Cass Ballenger
Wade Barber
John Carwhile
Maureen Clark
Ran Coble
Joel Fleishman
John A. Forlines Jr.
George Watts Hill
Marshall H. Johnson
Jordan, Price, Wall, Gray & Jones
Robert Lane

Helen Laughery
Craig Lawing
Thelma Lennon
James E. Long
Mr. and Mrs. Kenneth F. Mountcastle
N.C. Health Care Facilities Association
N.C. School Boards Association
Russell L. Norburn, Jr.
Edward H. O'Neil
McNeill Smith
Zachary Smith
Margaret Tennille
G. Smedes York

North Carolina Center for Public Policy Research

P.O. Box 430 • Raleigh, N.C. 27602 • (919) 832-2839